

**PG Planned gift tax credit****2008****Attach to Form ND-1 or ND-2**

Name(s) shown on return

Your social security number

North Dakota qualified nonprofit organization

Name of qualified nonprofit organization		
Address		
City	State	Zip

Name of administering entity, if different from qualified nonprofit organization		
Address		
City	State	Zip

Qualified planned gift

1. Planned gift was given to: ☐ Qualified nonprofit organization
☐ Qualified endowment fund. Enter name of fund **▶** _____
2. Identify the method used to make the planned gift. See the instructions for the eligibility criteria. (Fill in the applicable circle)
- | | | |
|--|---|--|
| <input type="radio"/> Charitable remainder unitrust | <input type="radio"/> Charitable gift annuity | <input type="radio"/> Deferred charitable gift annuity |
| <input type="radio"/> Charitable remainder annuity trust | <input type="radio"/> Charitable lead unitrust | <input type="radio"/> Charitable life estate |
| <input type="radio"/> Pooled income fund trust | <input type="radio"/> Charitable lead annuity trust | <input type="radio"/> Paid-up life insurance policy |
3. Date on which qualified planned gift was completed ----- 3 MM DD YYYY

Calculation of credit**▶ If you are only carrying forward an unused credit from 2006 or 2007, skip lines 4 through 7, and go to line 8.**

4. Charitable contribution portion of planned gifts completed in 2008 tax year ----- 4 _____
5. Maximum contribution eligible for credit: If married filing jointly, enter \$50,000; otherwise, enter \$25,000 ----- 5 _____
6. Enter smaller of line 4 or line 5 ----- 6 _____
7. 2008 credit. Multiply line 6 by 40% (.40). ----- 7 _____
8. Credit carryover from 2006. Enter amount from 2007 Schedule PG, line 13 ----- 8 _____
9. Credit carryover from 2007. Enter amount from 2007 Schedule PG, line 16 ----- 9 _____
10. Total available credit. Add lines 7, 8, and 9 ----- 10 _____
11. Amount of line 10 used to reduce tax in 2008. See instructions. Enter this amount on Schedule ND-1TC, line 5,
OR Form ND-2, Tax Computation Schedule, line 4 ----- 11 _____

Credit carryover to 2009 tax year

12. Subtract line 8 from line 11. If result is less than zero, enter -0- ----- 12 _____
13. 2007 credit carryover to 2009 tax year. Subtract line 12 from line 9. If result is less than zero, enter -0- ----- 13 _____
14. Add lines 8 and 9 ----- 14 _____
15. Subtract line 14 from line 11. If result is less than zero, enter -0- ----- 15 _____
16. 2008 credit carryover to 2009 tax year. Subtract line 15 from line 7 ----- 16 _____

Adjustment to North Dakota taxable income**▶ If you are only carrying forward an unused credit from 2006 or 2007, do not complete lines 17 through 21.**

17. Did you use Form 1040 and itemize deductions on Schedule A?
☐ **No.** Stop here; no adjustment is required based on your 2008 contribution.
☐ **Yes.** Enter the amount from Schedule A (Form 1040), line 29 ----- 17 _____
18. Enter the **standard deduction** that you would have been allowed on your 2008 Form 1040, line 40, had you not itemized deductions on Schedule A (Form 1040) - see instructions ----- 18 _____
19. Subtract line 18 from line 17. If result is less than zero, enter -0- ----- 19 _____
20. Enter the amount from line 6 ----- 20 _____
21. Adjustment amount. Enter smaller of line 19 or line 20. Enter this amount on Form ND-1, line 4, **OR** Form ND-2, Schedule 2, line 4. If using Form ND-2, Schedule 3, see instructions ----- 21 _____

▶ If there's an amount on line 4, attach a receipt or statement from the qualified nonprofit organization acknowledging its I.R.C. § 501(c)(1) status, the planned gift method used, the date and amount of the planned gift, and, if applicable, the name of the endowment fund.

2008 Schedule PG instructions**General instructions**

An individual is allowed an income tax credit for making a qualified planned gift to a qualified nonprofit organization or a qualified endowment fund. *See the instructions to line 1 for what is a qualified planned gift.*

The credit must be claimed first in the tax year in which the planned gift is made. The unused portion of a credit for a planned gift made in the 2008 tax year may be carried forward for up to three tax years.

Adjustment to taxable income—North Dakota taxable income must be increased by the amount of the charitable contribution upon which the credit is computed, but only to the extent that the contribution reduced federal taxable income. See the applicable line on Form ND-1 or Form ND-2.

Qualified nonprofit organization. A qualified nonprofit organization means an organization that:

1. Is incorporated in North Dakota, or has an established location in North Dakota,
2. Is tax-exempt under I.R.C. § 501(c), and
3. Is a charitable donee organization as defined under I.R.C. § 170.

Qualified endowment fund. A qualified endowment fund means a permanent, irrevocable fund that meets all of the following:

1. It is held by a qualified nonprofit organization (*as defined above*).
2. It is comprised of cash, securities, mutual funds, or other investment assets.
3. It is established for a specific religious, educational, or other charitable purpose.
4. It may expend only the income generated by, or the increase in value of, the assets contributed to it.

Specific line instructions**Name and address**

Enter the name of the qualified nonprofit organization to which the planned gift was made. If the planned gift was made to a qualified endowment fund, enter the name of the qualified nonprofit organization that holds the endowment. If a bank, trust company, or other entity administers the planned gift assets or qualified endowment fund on behalf of the qualified nonprofit organization, enter the name and address of that entity in the boxes provided on the schedule.

Line 2

Fill in the circle next to the type of qualified planned gift on which the tax credit is based. To qualify for the credit, the qualified planned gift must consist of an irrevocable

charitable contribution that was made using one of the following gifting methods:

Charitable remainder unitrust—To qualify, both of the following must apply:

1. The trust must be a trust defined under I.R.C. § 664(d)(2).
2. The trust agreement must contain a provision stating that the trust may not terminate and that the beneficiary's interest in the trust may not be given to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the beneficiary or (b) the date that is five years after the date of the contribution.

Charitable remainder annuity trust—To qualify, both of the following must be met:

1. The trust must be a trust defined under I.R.C. § 664(d)(1).
2. The trust agreement must contain a provision stating that the trust may not terminate and that the beneficiary's interest in the trust may not be given to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the beneficiary or (b) the date that is five years after the date of the contribution.

Pooled income fund—To qualify, the trust must be a trust defined under I.R.C. § 642(c)(5).

Charitable gift annuity—To qualify, both of the following must be met:

1. The annuity must be a qualified charitable gift annuity as defined for federal income tax purposes.
2. The annuity contract must contain a provision that states the annuitant's interest in the gift annuity may not be assigned to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the annuitant or (b) the date that is five years after the date of the contribution.

Charitable lead unitrust—To qualify, the arrangement must satisfy the requirements of I.R.C. § 170(f)(2)(B).

Charitable lead annuity trust—To qualify, the arrangement must satisfy the requirements of I.R.C. § 170(f)(2)(B).

Deferred charitable gift annuity—To qualify, all of the following must be met:

1. The annuity must be a qualified charitable gift annuity as defined for federal income tax purposes.
2. The annuity contract must contain a provision that requires the payment of the annuity to begin within the life

expectancy of the annuitant or of the joint life expectancies of the annuitants, if more than one annuitant, using the actuarial tables applicable to determining the federal charitable income tax deduction on the date of the contribution.

3. The annuity contract must contain a provision that states the annuitant's interest in the gift annuity may not be assigned to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the annuitant or (b) the date that is five years after the date of the contribution.

Charitable life estate agreement—To qualify, the agreement must satisfy the requirements of I.R.C. § 170(f)(3)(B).

Paid-up life insurance policy—To qualify, both of the following must be met:

1. The policy must be a paid-up policy, i.e., all premiums for the policy have been paid, with no more premiums due in the future.
2. The gift of the policy qualifies as a charitable contribution under I.R.C. § 170.

Line 4

Enter the portion of all qualified planned gifts completed in 2008 for which a charitable contribution deduction is allowed in 2008 for federal income tax purposes.

Line 11

Enter on this line only that portion of the tax credit on line 10 that you actually use to reduce your 2008 tax liability. For example, if the allowable tax credit on line 10 is \$1,000, but you only need \$400 to reduce your tax liability to zero, enter \$400 on line 11.

Lines 17 through 21

If you entered an amount on line 4, you must complete lines 17 through 21. If you are only carrying forward an unused credit from 2006 or 2007, do not complete lines 17 through 21.

Line 18

To determine the proper amount to enter on this line, see the instructions to the 2008 Form 1040, line 40.

Line 21

If you are a part-year resident or a full-year nonresident, and you are using Form ND-2, see the instructions to Schedule 3, Part 1, line 12, to determine the adjustment amount.